



State of California • Department of General Services • Gray Davis,  
Governor

## OFFICE OF PUBLIC SCHOOL CONSTRUCTION

I n t e r a g e n c y   S u p p o r t   D i v i s i o n

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Date: June 17, 1999

Mass Mailer #99-10

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND  
OTHER ISSUES**

On May 26, 1999, the State Allocation Board (SAB) apportioned \$29.9 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$42.4 million for School Facility Program (SFP) new construction projects, \$186.5 million for SFP modernization projects, \$.1 million for Deferred Maintenance Program projects, and \$1.9 million for Year-Round Schools Air Conditioning/Insulation projects. The SAB addressed other issues as follows:

### Consent Calendar

The cost index under the LPP for the Historical Savings Index decreased from 6.19 to 5.92, effective May 1, 1999. The LPP Construction Cost Indices for Class B, Class D, and Furniture/Equipment remain unchanged.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases for 33 new construction and modernization projects. Districts that received a Phase C apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. For specific information regarding time limits for LPP projects, please contact Don Hartin at [dhartin@dgs.ca.gov](mailto:dhartin@dgs.ca.gov) or (916) 445-0529.

The SAB approved 560 applications for eligibility and 87 grant applications for new construction and modernization projects for the SFP. In addition, the SAB approved and apportioned approximately \$21 million in state funds for 32 SFP financial hardship projects. Districts that received funding approval under the SFP are required to submit the *Fund Release Authorization* (Form SAB 50-05) within 18 months, otherwise, the apportionment will be rescinded. The SAB 50-05 is used by the district to certify the available district matching share and that the district has entered into a binding contract for at least 50 percent of the construction cost of the buildings in the plans and specifications (P&S). Funds will be released to the district upon receipt and processing of a completed Form SAB 50-05 to the Office of Public School Construction (OPSC). For specific information regarding time limits for SFP projects, please contact Carolyn Harmon at [charmon@dgs.ca.gov](mailto:charmon@dgs.ca.gov) or (916) 322-0315.

### Status of Funds

There are approximately \$36.8 million in prior bond funds remaining in the LPP to address ongoing project costs, bid approvals, and the Northridge Earthquake Program. The balance available from Proposition 1A funds is approximately \$1.2 billion.

### Prioritization of SFP Modernization Funding

The SAB approved and apportioned \$51 million in state funds for modernization projects that did not meet the grandfathering provisions. The SAB also directed the Executive Officer to file a SFP regulation change, on an emergency basis, which allows districts with new construction and modernization projects that meet the grandfathering provisions first priority for funding provided a complete eligibility and funding application is received by the OPSC no later than July 5, 1999. After that date, new construction and modernization projects shall be funded in order of date receipt of a complete application. Mass Mailer #99-07 dated June 7, 1999, addressing this issue was sent to all districts and county superintendents.

### Advance Site and Plans Repayment Provision

The SAB adopted a policy regarding the repayment of an advance site and/or planning loan made under the provisions of LPP. Education Code Section 17020 requires that if the site and/or plans are not used for construction of a school within five years of the apportionment, the district must repay the loan, with interest, unless the repayment will result in an extreme hardship to the district. This Policy defines an extreme hardship and specifies that districts with outstanding loans that do not meet the extreme hardship criteria must commence the repayment process beginning July 1, 1999. If your district has a scheduled repayment of an advanced site and/or planning loan and the district meets the extreme hardship criteria, please contact Bryan Breaks at [bbreaks@dgs.ca.gov](mailto:bbreaks@dgs.ca.gov) or (916) 445-3156.

### Available Plans and Specifications

The SAB approved the use of a catalogue of school plans that will be available on the Internet to any interested party. The catalogue will contain a thumbnail sketch of selected schools and school facility components built in California and approved by the Division of the State Architect and the California Department of Education. For additional information regarding this catalogue, please contact Dennis Boydston at [dboydstun@dgs.ca.gov](mailto:dboydstun@dgs.ca.gov) or (916) 322-0327.

### Other Issues

1. The Disabled Veterans Business Enterprise (DVBE) package on the OPSC Internet site has been updated, see DVBE Information & Forms Package under Resource Information on the OPSC Internet site.
2. Effective June 18, 1999, the OPSC will require that all requests for determination of existing school building capacity calculated on Forms SAB 50-02 include a summary of all district sites and the drawings of each school site within the school district or high school attendance area, as appropriate. The drawings must identify all permanent and portable classrooms included in the gross classroom inventory pursuant to Regulation Section 1859.31 and the specific reason any classroom is excluded from that inventory pursuant to Regulation Section 1859.32.

The OPSC will also require effective June 18, 1999, that all requests for modernization eligibility calculated on the *Eligibility Determination* (Form SAB 50-03) include the drawings of the specific site where the modernization eligibility is requested. The drawing must identify all permanent and portable classrooms on the site and their ages. If the district intends to use the square footage method for calculating eligibility, the drawing must also identify the square footage of all facilities on the site.

This requirement is made to assure that the OPSC is able to process all applications requests as timely as possible. Requests for determination of existing school building capacity or eligibility determinations for either new construction or modernization that do not include these drawings will be returned to the district without processing after June 18, 1999.

3. The OPSC is in the process of reviewing all applications submitted for SAB approval that have been delayed for processing as a result of additional information requested by the OPSC from the district. In most cases, districts have been notified of the additional information needed and the application has been "set aside" by the OPSC until the information is submitted. Effective immediately, when the OPSC has indicated by letter to the district that specific information is needed to complete the processing of an application, the district will be allowed 15 calendar days from the date of that letter to provide the information. If the requested information is received by the OPSC within 15 calendar days, the application will continue to be processed by the OPSC with no loss of OPSC application receipt date. If the information is not received by the OPSC within 15 calendar days, the application will be revoked and returned to the district.
4. On May 12, 1999, the SAB approved the amended SFP Regulations and directed the Executive Officer to take appropriate action for submittal of those regulations to the Office of Administrative Law (OAL). It is anticipated that these amended regulations will become effective sometime in July. Information regarding the amended regulations is included in Mass Mailer #99-09 dated June 16, 1999. For purposes of application processing by the OPSC during the interim period until the amended regulations become effective, the following procedures/policies shall apply:

#### Applications Previously Approved by the SAB

- Any SFP funding application, with the exception of separate site/design approvals, that received an apportionment or an unfunded approval may not be amended after the new regulations become effective.
- Any SFP application for eligibility may be amended after the amended regulations become effective to conform to the provisions of the amended regulations.

#### Applications Being Processed by the OPSC/ No SAB Approval

- Districts that submitted requests for eligibility or funding prior to the amended regulations becoming effective may elect to either withdraw the application and resubmit it under the provisions of the amended regulations or continue to have the application funded under the Emergency Regulations. If the district wishes its application to be approved based on the proposed amended regulations, it must request that the application be withdrawn and resubmitted to the OPSC based on the new forms and amended regulations, once they become effective. Applications withdrawn will not retain their OPSC processing date. Unless the district withdraws

the application, the OPSC will continue to process those applications based on the Emergency Regulations. The OPSC will not **"hold"** a district's application request until the amended regulations become effective.

- Eligibility and funding applications submitted to the OPSC after the amended regulations become effective must be made based on the new forms and the amended regulations.

Once the OAL approves the amended regulations and they have been filed with the Secretary of State, the OPSC will provide the revised SFP forms on the OPSC Internet site.

Copies of the applicable SAB actions can be found on the OPSC Internet site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

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